

Minneapolis Community Development Agency

Request for City Council Action

Date: June 10, 2002

To: Council Member Lisa Goodman, Community Development Committee
Council Member Barbara Johnson, Ways and Means/Budget Committee

Prepared by Patrick Connoy, Senior Project Coordinator, Phone 612-673-5193

Approved by Chuck Lutz, MCDA Interim Executive Director _____

Subject: Appropriation Increase in Fund CDR (Deep Rock)

Previous Directives: On June 7, 1996 the MCDA Board of Commissioners approved Document No. 96-153M and Resolution No. 96-1489M authorizing the purchase and sale of 2801 E 27th St (now addressed 2704 29th Avenue South) in the Seward South Urban Renewal Area.

Ward: 9

Neighborhood Group Notification: The Longfellow Community Council was notified of this action on May 20, 2002.

Consistency with *Building a City That Works*: Goal 1: Increase the city's economic competitiveness and extend the benefits of the growing economy to all Minneapolis residents. Objective A: Provide opportunities that create more living wage jobs in the city. Strategy 1: Provide clean, buildable land parcels to meet the needs of business expansion and relocation within the city.

Comprehensive Plan Compliance: Complies with Comprehensive Plan.

Zoning Code Compliance: Complies with light industrial zoning on the site.

Impact on MCDA Budget: (Check those that apply)

- ☐ No financial impact
- ☒ Action requires an appropriation increase to the MCDA Budget
- ☐ Action provides increased revenue for appropriation increase
- ☐ Action requires use of contingency or reserves
- ☐ Other financial impact (Explain):

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There are sufficient revenue in Fund CDR to support this budget appropriation request.

Living Wage / Business Subsidy: Not Applicable.

Job Linkage: Not Applicable, but the developer has been asked to voluntarily sign a Job Linkage Agreement and ask new tenants to sign Job Linkage Agreements.

Affirmative Action Compliance: Not Applicable.

Recommendation: It is recommended that the City Council authorize the Interim Executive Director to amend the 2002 MCDA Appropriation Resolution to increase the appropriation in Fund CDR (Deep Rock) by \$40,000 from available Fund balances.

Introduction and Background

The Minneapolis Community Development Agency owns 2704 29th Avenue South (formerly 2801 E. 27th Street) in the Longfellow Community. This property was purchased in 1996 from the Canadian Pacific Rail Road and was the location of the former Deep Rock petrochemical tank storage farm. Solvents and petrochemicals heavily contaminated this site. The MCDA received a \$214,000 contamination cleanup grant from the Minnesota Department of Trade and Economic Development to remediate this site. MCDA matched this grant with over \$300,000, but the contamination proved to be pervasive and the site has been only partially cleaned up. Over the past year the MCDA has been working closely with the Minnesota Pollution Control Agency to define the extent of remaining contamination in preparation of having this site closed to further remediation requirements.

For 2002 the MCDA budgeted \$22,347 for environmental assessment costs. This amount has now been found to not be sufficient to address the extensive environmental testing and assessment work being required by the Minnesota Pollution Control Agency.

Staff is requesting an appropriation increase of \$40,000 in Fund CDR to pay for these environmental investigation expenses. There are sufficient fund balances in Fund CDR to support this appropriation increase.